

TINUI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	3041
Principal:	Richard Lennox
School Address:	25 Charles Street, Tinui, Masterton
School Postal Address:	25 Charles Street, Tinui, MASTERTON, 5889
School Phone:	06 372 6878
School Email:	office@tinui.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Richard Lennox	Principal	ex Officio	
Kylie Blyth	Parent Rep	Elected	Jun 2019
Luce Williams	Parent Rep	Elected	2021
Allan Wellbrock	Parent Rep	Elected	Jun 2019
Sarah Cox	Parent Rep	Elected	2021
Emily Broderick	Staff Rep	Elected	2021
Kylie Meredith	Secretary	Elected	

Accountant / Service Provider:	Education Services Ltd
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TINUI SCHOOL

Annual Report - For the year ended 31 December 2018

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Tinui School

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Julie Marie Blyth
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

31.5.2019
Date:

RICHARD JAMES LENNOX
Full Name of Principal

[Signature]
Signature of Principal

31/5/19
Date:

Tinui School**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	437,337	469,658	402,334
Locally Raised Funds	3	78,365	62,440	68,683
Interest Earned		4,238	3,850	5,158
		<hr/>	<hr/>	<hr/>
		519,940	535,948	476,175
Expenses				
Locally Raised Funds	3	73,532	50,440	53,798
Learning Resources	4	241,298	217,113	208,361
Administration	5	46,510	51,922	53,762
Finance Costs		484	-	190
Property	6	164,605	217,639	171,962
Depreciation	7	4,372	4,404	4,169
Loss on Disposal of Property, Plant and Equipment		-	-	535
		<hr/>	<hr/>	<hr/>
		530,801	541,518	492,777
Net Surplus / (Deficit)		(10,861)	(5,570)	(16,602)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(10,861)	(5,570)	(16,602)

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Tinui School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	170,585	170,585	185,675
Total comprehensive revenue and expense for the year	(10,861)	(5,570)	(16,602)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	1,713	-	1,512
Equity at 31 December	161,437	165,015	170,585
Retained Earnings	161,437	165,015	170,585
Equity at 31 December	161,437	165,015	170,585

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Tinui School
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	8	82,430	92,155	106,356
Accounts Receivable	9	16,103	14,223	14,223
GST Receivable		1,489	3,371	3,371
Prepayments		2,289	-	-
Inventories	10	284	7,600	7,600
Investments	11	87,796	89,808	89,808
		<u>190,391</u>	<u>207,157</u>	<u>221,358</u>
Current Liabilities				
Accounts Payable	13	35,796	38,389	38,389
Provision for Cyclical Maintenance	14	7,500	7,500	7,500
Finance Lease Liability - Current Portion	15	1,827	1,679	1,679
Funds held for Capital Works Projects	16	-	-	5,633
		<u>45,123</u>	<u>47,568</u>	<u>53,201</u>
Working Capital Surplus/(Deficit)		145,268	159,589	168,157
Non-current Assets				
Property, Plant and Equipment	12	17,613	10,294	14,698
		<u>17,613</u>	<u>10,294</u>	<u>14,698</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	-	1,598	9,000
Finance Lease Liability	15	1,444	3,270	3,270
		<u>1,444</u>	<u>4,868</u>	<u>12,270</u>
Net Assets		<u>161,437</u>	<u>165,015</u>	<u>170,585</u>
Equity		<u>161,437</u>	<u>165,015</u>	<u>170,585</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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Tinui School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		119,267	114,820	112,846
Locally Raised Funds		79,980	62,040	68,225
Goods and Services Tax (net)		1,882	-	(2,056)
Payments to Employees		(60,653)	(54,120)	(57,414)
Payments to Suppliers		(130,595)	(127,791)	(127,352)
Cyclical Maintenance Payments in the year		(25,605)	(13,000)	-
Interest Paid		(484)	-	(190)
Interest Received		4,247	3,850	5,126
Net cash from / (to) the Operating Activities		(11,961)	(14,201)	(815)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(3,746)
Purchase of PPE (and Intangibles)		(7,287)	-	(2,945)
Net cash from / (to) the Investing Activities		(7,287)	-	(6,691)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,713	-	1,512
Finance Lease Payments		(758)	-	(423)
Funds Held for Capital Works Projects		(5,633)	-	5,633
Net cash from Financing Activities		(4,678)	-	6,722
Net increase/(decrease) in cash and cash equivalents		(23,926)	(14,201)	(784)
Cash and cash equivalents at the beginning of the year	8	106,356	106,356	107,140
Cash and cash equivalents at the end of the year	8	82,430	92,155	106,356

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Tinui School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Tinui School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as “available for sale” for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

k) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board’s use of the land and buildings as ‘occupant’ is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	10 years
Furniture and Equipment	8-20 years
Information and Communication	4-5 years
Library Resources	12.5% DV

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements*Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

u) Borrowings

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

v) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

x) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	103,981	105,120	101,583
Teachers' salaries grants	204,438	177,419	177,419
Use of Land and Buildings grants	111,747	177,419	112,069
Other MoE Grants	15,720	9,700	11,263
Other government grants	1,451	-	-
	437,337	469,658	402,334

3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	3,767	2,400	2,536
Bequests & Grants	-	-	500
Activities	4,182	2,880	8,413
Trading	415	400	416
Fundraising	70,001	56,760	56,818
	78,365	62,440	68,683
Expenses			
Activities	15,755	8,040	11,176
Trading	4,954	1,800	7,504
Fundraising costs	52,823	40,600	35,118
	73,532	50,440	53,798
<i>Surplus for the year Locally raised funds</i>	4,833	12,000	14,885

4. Learning Resources

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	7,353	13,330	6,016
Library resources	146	300	325
Employee benefits - salaries	229,818	198,083	198,516
Staff development	3,981	5,400	3,504
	241,298	217,113	208,361

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,795	7,370	3,870
Board of Trustees Fees	1,615	3,700	2,580
Board of Trustees Expenses	383	960	624
Communication	1,758	1,350	1,527
Consumables	9,329	8,362	-
Operating Lease	-	700	8,870
Other	6,555	4,810	11,999
Employee Benefits - Salaries	14,340	13,920	16,396
Insurance	3,006	3,500	441
Service Providers, Contractors and Consultancy	4,729	7,250	7,455
	<u>46,510</u>	<u>51,922</u>	<u>53,762</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	511	1,050	1,540
Cyclical Maintenance Expense	16,605	5,598	5,750
Grounds	1,995	2,800	4,640
Heat, Light and Water	5,556	5,460	5,638
Rates	2,830	2,776	2,253
Repairs and Maintenance	4,954	3,000	19,621
Use of Land and Buildings	111,747	177,419	112,069
Employee Benefits - Salaries	20,407	19,536	20,451
	<u>164,605</u>	<u>217,639</u>	<u>171,962</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	395	561	531
Furniture and Equipment	1,109	1,478	1,400
Information and Communication Technology	731	1,495	1,415
Leased Assets	1,791	499	472
Library Resources	346	371	351
	<u>4,372</u>	<u>4,404</u>	<u>4,169</u>

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8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
ASB 711-00	5,299	(19,842)	(5,641)
ASB 711-03	415	3,889	3,889
ASB 711-01	51	13,493	13,493
ASB 711-04	51,277	45,003	45,003
ASB 711-50	25,377	8,275	8,275
ASB 711-51	11	41,337	41,337
Cash equivalents for Cash Flow Statement	82,430	92,155	106,356

The carrying value of short-term deposits with maturity dates of 90 days or less approximates their fair value.

9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	1,615	1,615
Interest Receivable	413	422	422
Teacher Salaries Grant Receivable	15,690	12,186	12,186
	16,103	14,223	14,223
Receivables from Exchange Transactions	413	2,037	2,037
Receivables from Non-Exchange Transactions	15,690	12,186	12,186
	16,103	14,223	14,223

10. Inventories

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	284	3,150	3,150
Uniform	-	4,450	4,450
	284	7,600	7,600

11. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	87,796	89,808	89,808

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12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	395	-	-	-	(395)	-
Furniture and Equipment	3,931	6,970	-	-	(1,109)	9,792
Information and Communication Tech	3,012	-	-	-	(731)	2,280
Leased Assets	4,900	-	-	-	(1,791)	3,109
Library Resources	2,461	317	-	-	(346)	2,432
Balance at 31 December 2018	14,699	7,287	-	-	(4,372)	17,613

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	21,825	(21,825)	-
Furniture and Equipment	95,837	(86,045)	9,792
Information and Communication	80,562	(78,282)	2,280
Leased Assets	5,372	(2,263)	3,109
Library Resources	28,895	(26,463)	2,432
Balance at 31 December 2018	232,491	(214,878)	17,613

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	926	-	-	-	(531)	395
Furniture and Equipment	4,980	350	-	-	(1,400)	3,930
Information and Communication Tech	1,697	2,730	-	-	(1,415)	3,012
Leased Assets	-	5,372	-	-	(472)	4,900
Library Resources	2,682	665	(535)	-	(351)	2,461
Balance at 31 December 2017	10,285	9,117	(535)	-	(4,169)	14,698

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	21,825	(21,430)	395
Furniture and Equipment	88,867	(84,937)	3,930
Information and Communication	80,562	(77,550)	3,012
Leased Assets	5,372	(472)	4,900
Library Resources	28,458	(25,997)	2,461
Balance at 31 December 2017	225,084	(210,386)	14,698

**MOORE
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13. Accounts Payable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	3,598	8,287	8,287
Accruals	3,986	4,868	4,868
Employee Entitlements - salaries	15,690	13,775	13,775
Employee Entitlements - leave accrual	12,522	11,459	11,459
	<u>35,796</u>	<u>38,389</u>	<u>38,389</u>
Payables for Exchange Transactions	35,796	38,389	38,389
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>35,796</u>	<u>38,389</u>	<u>38,389</u>

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	16,500	3,500	10,750
Increase to the Provision During the Year	17,505	5,598	5,750
Use of the Provision During the Year	(26,505)	-	-
Provision at the End of the Year	<u>7,500</u>	<u>9,098</u>	<u>16,500</u>
Cyclical Maintenance - Current	7,500	7,500	7,500
Cyclical Maintenance - Term	-	1,598	9,000
	<u>7,500</u>	<u>9,098</u>	<u>16,500</u>

15. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	1,827	1,679	1,679
Later than One Year and no Later than Five Years	1,444	3,270	3,270
	<u>3,271</u>	<u>4,949</u>	<u>4,949</u>

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16. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Window Replacement	<i>completed</i>	5,633	(5,033)	600	-	-
Totals		<u>5,633</u>	<u>(5,033)</u>	<u>600</u>	<u>-</u>	<u>-</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Window Replacement	<i>in progress</i>	86,326	(37,530)	43,163	-	5,633
Totals		<u>86,326</u>	<u>(37,530)</u>	<u>43,163</u>	<u>-</u>	<u>5,633</u>

17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

18. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	1,615	2,580
Full-time equivalent members	0.06	0.46
<i>Leadership Team</i>		
Remuneration	91,295	88,941
Full-time equivalent members	0.96	1.00
Total key management personnel remuneration	92,910	91,521
Total full-time equivalent personnel	1.02	1.46

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	80 - 90	80 - 90
Benefits and Other Emoluments	2 - 3	0 - 5
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	-	-
	0.00	0.00

The disclosure for 'Other Employees' does not include remuneration of the Principal.

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil).

(b) Operating Commitments

As at 31 December 2018, the Board has the following commitment:

(a) Ricoh Photocopier;

	2018 Actual \$	2017 Actual \$
No later than One Year	4,570	
Later than One Year and No Later than Five Years	9,170	
Later than Five Years	-	-
	<u>13,740</u>	<u>-</u>

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22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

23. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	82,430	92,155	106,356
Receivables	16,103	14,223	14,223
Investments - Term Deposits	87,796	89,808	89,808
Total Loans and Receivables	186,329	196,186	210,387

Financial liabilities measured at amortised cost

Payables	35,796	38,389	38,389
Borrowings - Loans	-	-	-
Finance Leases	3,271	4,949	4,949
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	39,067	43,338	43,338

24. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

25. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

26. Tree Cutting Rights

In 1999, the Masterton District Council granted the school a ¼ share (of 1.9729 hectares), being 0.49 hectares, of leased land used as a forestry block (17970/06300 on C/T 724/84). There is no reliable valuation available for these cutting rights as at 31 December 2018.

Analysis of Variance Reporting

School Name:	Tinui School	School Number:	3041
Strategic Aim: READING	Aim 1: To grow student achievement by providing quality teaching, where all learners are engaged, inspired and achieving to their potential in a 21st century learning environment. (NAGS 1,2,3,6)		
Annual Aim: READING	To accelerate the progress of all Year 1 – 8 learners in Reading.		
Target: READING	<p>Specific target: In 2018 all Maori students will make accelerated progress and 90% of Maori students will be at or above their expected curriculum level by the end of 2018.</p> <p>In 2018 all boys will make accelerated progress and those boys identified as not at or above their expected curriculum level will be targeted so 90% of all boys will be at or above their expected curriculum level by the end of 2018.</p> <p>In 2018 all girls will make accelerated progress and 100% of all girls will be achieving at the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 50% of all students will be above their expected curriculum level by the end of 2018.</p>		
Baseline Data: EOY 2017 READING	<p>75.86% of all students were at or above the National Standard</p> <p>25% of all Māori students were at or above the National Standard</p> <p>92.31% of girls were at or above the National Standard</p> <p>62.5% of boys were at or above the National Standard</p>		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> From the beginning of year conduct student assessments, analyse data, identify specific student needs/strengths and evaluate the effectiveness of curriculum delivery. Collate information, devise an action plan for those individuals/cohorts who have specific needs identified. Monitor progress over time, analyse results and share at staff meetings. Report to the B.O.T mid and end of year on school wide progress and achievement, and trends and patterns. Purchase literacy resources including I.C.T devices. Implemented specific programmes for targeted groups to boost reading skills: Intensive reading programme for individuals and groups which targeted reading skills identified as a weakness from testing, and our Parent Reading Programme. 	EOY 2018 <ul style="list-style-type: none"> 84% of all students are at or above expectation 82% of all girls are at or above expectation 86% of boys are at or above expectation 57% of Māori students are at or above expectation 25% of all students above expectation. 	<p>Reason for progress:</p> <p>The continuation of an reading programme for targeted students was successful and all students made progress. Teaching that specifically targeted reading comprehension skills.</p> <p>Ongoing parent reader programme.</p> <p>Sustained silent reading timetabled.</p> <p>Reason for regression in girls reading: the drop of 10% can be explained by one returning student who was not at their expected curriculum level having an effect on the whole school girls result</p>	<ul style="list-style-type: none"> B.O.T to continue to fund teacher aide to deliver reading programme to support selected junior students. Participate in local cluster leadership programme to explicitly teach and develop the necessary skills in all students to successfully undertake an independent learning programme in line with M.L.P Continue to develop teaching and learning that encourages student agency through the use of technology, GAFE, STEM and Enviro. Participation in Ka Rewa programme which specifically targets Maori learners, teaching resilience but will benefit all learners. Regular monitoring of individual students identified as not reading and comprehending at chronological age and providing individualised programmes as needed. Development of school wide independent learning plans for all students
Planning for next year:			
<p>Continue with guided reading program (years 0-8) which targets teaching use of inference, evaluation, and reorganisation reading comprehension skills. Integration of STEM and Enviro to reading programmes to enhance engagement where possible. Purchase of resources specific to teaching of evaluation, reorganisation and inference skills, purchase high interest readers for all year levels. Continuation of employment of teacher aide to be used to support students in both classes. Use of NZCER assessment tools to further enhance teachers being able to target specific skills to teach. Continuation of parent reading programme. Introduction of play based learning yrs 0-3. Continuation of target student monitoring. Will be renamed priority learners in 2019</p>			

School Name:	Tinui School	School Number:	3041
Strategic Aim: MATHEMATICS	Aim 1: To grow student achievement by providing quality teaching, where all learners are engaged, inspired and achieving to their potential in a 21st century learning environment. (NAGS 1,2,3,6)		
Annual Aim: MATHEMATICS	To accelerate the progress of all Year 1 – 8 learners in Maths		
Target: MATHEMATICS	<p>Specific target:</p> <p>In 2018 all Maori students will make accelerated progress and at least 80% of all Maori students will be achieving at or above the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all boys will make accelerated progress and at least 90% of all boys will be achieving at or above the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all girls will make accelerated progress and at least 95% of all girls will be achieving at or above the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all students will make accelerated progress and at least 90% of all students will be achieving at the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all students will make accelerated progress and at least 50% of all students will be achieving above the expected curriculum level for their year at the end of 2018.</p>		
Baseline Data: MATHEMATICS EOY 2017	<p>79.31% of all students were at or above the National Standard</p> <p>50% of all Maori students were at or above the National Standard</p> <p>92.31% of girls were at or above the National Standard</p> <p>75% of boys were at or above the National Standard</p> <p>25% of all students above National Standard.</p>		

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Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Implemented Tinui School mathematics knowledge and strategy Track progress over time and analyse results to share at staff meetings. Report to the B.O.T mid and end of year on school wide progress and achievement, and trends and patterns.</p> <p>Employed teacher aide to support specific students in their learning. Implemented programmes with focussed teaching for identified students. Financial literacy programme years 4-8 (Money Time).</p> <p>Workshop based learning further developed. Increased modelling and peer sharing of strategies used in classrooms Increased use of ICT learning opportunities through GAFE and Maths Buddy Feedback given is specific so students can effectively create realistic goals Students assessed using a variety of robust assessment tools and learn, practice prove model developed.</p>	<p>EOY 2018</p> <ul style="list-style-type: none"> ● 89% of all children are at or above expectation ● 71% of all Maori students are at or above expectation. ● 90% of boys are at or above expectation. ● 88% of girls are at or above expectation. ● 30% of all students above expectation. 	<p>Robust assessment and teaching has had an effect on student progress. Development of workshop based teaching in years 4-8 has given students more autonomy and agency with their learning which has seen higher levels of engagement. Implementation of Maths buddy year 3-8</p>	<p>Continue to embed numeracy concepts into strand teaching.</p> <p>Continue to use practical experiences as a means of consolidating understanding of maths concepts.</p> <p>Ensure funds in mathematics curriculum budget are spent to enhance mathematics learning. Approach PFC for continued funding of Maths Buddy online teaching aid</p> <p>Use a range of assessment tools including GLOSS, PAT and e-asTTle to inform teaching and learning.</p>
Planning for next year:			

Continue to develop workshop based and teaching and learning and individual learning plans with students developing agency through sharing of individual assessment data with the student. Flipping of mathematics teaching in years 4-8 using google classroom. Continue to use Maths Buddy learning system for independent and home learning as requested by community though feedback from community consultation. Continue financial literacy such as Money time activities in school. Analysis of strand results in PAT, E-Asttle and maths buddy testing for targeted teaching of strand knowledge. Continue with play based learning yrs 3-8.

School Name:	Tinui School	School Number:	3041
Strategic Aim: WRITING	Aim 1: To grow student achievement by providing quality teaching, where all learners are engaged, inspired and achieving to their potential in a 21st century learning environment. (NAGS 1,2,3,6)		
Annual Aim: WRITING	To accelerate the progress of all Year 1 – 8 learners in Writing		
Target: WRITING	<p>Specific target:</p> <p>In 2018 all Maori students will make accelerated progress and at least 90% of all Maori students will be achieving at the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all boys will make accelerated progress and at least 80% of all boys will be achieving at or above the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all girls will make accelerated progress and 50% of all girls will be achieving above the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all students will make accelerated progress and at least 90% of all students will be achieving at or above the expected curriculum level for their year at the end of 2018.</p> <p>In 2018 all students will make accelerated progress and at least 25% of all students will be achieving above the expected curriculum level for their year at the end of 2018.</p>		

Baseline Data:
WRITING EOY 2017

75% of all students were at or above the National Standard
100% of girls were at or above the National Standard
56.25% of boys were at or above the National Standard
75% of all Maori students are at or above National Standard.
4% of all students above National Standard.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Identified students with specific needs from 2017 data walls Collated and analysed assessment data to identify specific group needs and the effectiveness of curriculum delivery. Tracked progress over time and analysed results to share with all staff, Reported to the B.O.T mid and end of year on school wide progress and achievement, and trends and patterns.</p> <p>Purchased teaching resources (phonics) Implemented programmes with focussed teaching for identified students. The use of Sheena Cameron “The Writing Book” for skills based teaching. Focus on motivation through use of experiences Clear references and continued development to Tinui School writing progressions as well as use of data wall for tracking.</p> <p>Teachers modelled and scaffold writing skills and processes Explicit teaching of vocabulary in context. Use of phonics and sound charts in the junior room.</p>	<p>EOY 2018</p> <ul style="list-style-type: none"> ● 76% of all children are at or above expectation ● 42% of Maori students are at or above expectation. ● 86% of boys are at or above expectation. ● 70% of girls are at or above expectation. ● 10 % of all students above expectation. 	<p>Increases and maintaining achievement levels due to:</p> <p>Use of Tinui School writing progressions. Continuation of skills based teaching sessions based on Tinui School writing progressions.</p> <p>Decrease in Maori Student achievement due to cohort of students leaving and the sample of students being very small as well of new cohort of students entered data set at</p>	<p>Continue to use of authentic writing opportunities linked to enviroschools projects. Agrikids experiences, tracking and trapping experiences Increased use of student agency within the school to promote effective literacy skills. Continue to develop I.C.T tools to motivate/connect with writers Links to the wider community to participate and contribute in writing opportunities. Continued use of Tinui School writing progressions. Specifically target students who are not at their expected curriculum level writing. Use Ka Rewa project as a motivator for all student's writing with a specific focus on</p>

		below or well below expected curriculum level.	Maori students.
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Planning for next year:
<p>Continued use of Tinui writing progressions to enable student agency and give students choice and control of what they need to learn to reach their learning goals.</p> <p>Use of Enviroschools projects, agrikids, to create authentic writing opportunities</p> <p>Continue to develop M.L.P within our school especially skills based individualised teaching and development of individual learning plans. Continued development of of play based learning in yrs 1-3 to encourage greater learner responsibility, engagement and direction especially the use of GAFE to enhance teaching and learning.</p>



Tinui School,
25 Charles Street,
RD 9,
MASTERTON
5890

To Whom it May Concern,

In 2018 Tinui School received a total of \$441.04 in funding for Kiwisport. This funding was allocated to assist with the purchase of sporting equipment for the students of Tinui School. Equipment purchased included skipping ropes and stand, mini soccer goals, and large balls.

Richard Lennox
Principal

Chairpersons end of year report 2018

I would like to take the opportunity to thank you all for your time and dedication to improving educational outcomes for all the students at Tinui School. This year everyone has shown amazing commitment/engagement and brought positive energy to the board. I appreciate the support I have been given as a new chair and believe we have all grown into our roles and understanding of board process. Thank you for being prepared to attend various workshops throughout the year organised by NZSTA/ ERO. I believe this education enables us to fulfill our obligations to the best of our abilities. Thank you for adopting the changes to the board work plan introduced this year and for participating in developing a plan for 2019.

We have made positive changes to systems with the introduction of SchoolDocs to support policy/procedure and changing our accounting to a school specific organisation. We now have policies that align with current legislation and best practice. Utilising Education Support Services will provide thorough financial documentation and ongoing support. The change will enable not only effective succession of financial processes but also offers analysis presented in a clear format.

Some goals for our board in 2019 in my opinion would be:

- Continuing to engage in SchoolDocs updates and gain a good understanding of how the policies are enacted within Tinui school.
- Continue to encourage community involvement in the policy review process.
- Engage with the PFC re possible creation of separate entity and request support for budget requirements for 2019.
- Continue to be aware of government emergent review changes and how they affect our roles and obligations of governance.
- Improve board engagement with our community. This can be supported by regular updates- each term and continue with consultation via meetings/surveys to ensure our strategic direction aligns with our community values.
- The development of Room2/ Library and utilising the additional funding opportunities the current government is allocating to schools.
- Continue to attend NZSTA workshops and engage in opportunities for professional development.

The staff have been reporting positive educational achievement. We are fortunate in that our teachers are engaging in modern learning techniques, introducing the students to current technology and teaching practices. I thank them for their efforts. 2018 has seen many students achieving not only academically but also with sports/agri-kids and the arts. A fantastic play was performed and our students were given the opportunity to sing on mass at the Michael Fowler centre. Ka Rewa has helped Room 4 children develop their resilience and sense of place. I feel lucky our school is fortunate to be involved in this pilot programme.

I appreciate the diverse educational experiences offered.

Independent auditor's report

To the Readers of Tinui School's Financial Statements for the year ended 31 December 2018

The Auditor-General is the auditor of Tinui School (the School). The Auditor-General has appointed me, Michael Rania, using the staff and resources of Moore Stephens Wairarapa Audit, to carry out the audit of the financial statements of the School on his behalf.

Qualified Opinion

We have audited the financial statements of the School on pages 2 to 21, that comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, except for the matter described in the Basis for our qualified opinion section of our report, the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018, and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards Reduced Disclosure Regime (Public Sector PBE Standards RDR)

Our audit was completed on 31 May 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for Our Qualified Opinion

As disclosed in note 26 of the financial statements, the Masterton District Council granted the school tree cutting rights on a ¼ share (of 1.9729 hectares), being 0.49 hectares of leased land, used as a forestry block. The Board has never recognised the tree cutting rights as an asset in its financial statements. This is a departure from PBE IPSAS 27: *Agriculture*, which requires biological assets, such as trees in a forestry block, to be recognised at their fair value. The Board cannot reliably estimate the fair value of the tree cutting rights as at 31 December 2018.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance Reporting 2018, Kiwisport Report and Chairperson's End of Year Report 2018 but does not include the financial statements, and our auditor's report thereon.


Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Michael Rania | **Moore Stephens Wairarapa Audit**
On behalf of the Auditor-General | Masterton, New Zealand